

SOUTH CAROLINA ELECTRIC & GAS COMPANY  
OPERATING EXPERIENCE - TOTAL ELECTRIC  
12 MONTHS ENDED DECEMBER 31, 2017

Line No.	Description	(\$000's)		
		Regulatory Per Books	Pro-Forma Adjustments	Total As Adjusted
(Col. 1)		(Col. 2)	(Col. 3)	(Col. 4)
1	<u>Operating Revenues</u>	<u>2,664,426,229</u>	<u>(535,437,434)</u>	<u>2,128,988,795</u>
2	<u>Operating Expenses</u>			
3	O&M Expenses - Fuel	657,825,785	-	657,825,785
4	O&M Expenses - Other	586,529,178	(54,672,209)	531,856,969
5	Depreciation & Amortization Expenses	275,631,254	(49,496,540)	226,134,714
6	Taxes Other Than Income	213,490,994	7,373,630	220,864,624
7	Total Income Taxes	<u>241,317,794</u>	<u>(139,537,702)</u>	<u>101,780,092</u>
8	Total Operating Expenses	<u>1,974,795,005</u>	<u>(236,332,821)</u>	<u>1,738,462,184</u>
9	Operating Return	689,631,224	(299,104,613)	390,526,611
10	Customer Growth	2,779,242	(1,214,041)	1,565,201
11	Interest on Customer Deposits	<u>(1,127,281)</u>	<u>-</u>	<u>(1,127,281)</u>
12	<u>Return</u>	<u>691,283,185</u>	<u>(300,318,654)</u>	<u>390,964,531</u>
13	<u>Rate Base</u>			
14	Plant in Service	10,196,438,409	(271,764,570)	9,924,673,839
15	Reserve for Depreciation	<u>3,903,784,244</u>	<u>1,339,707</u>	<u>3,905,123,951</u>
16	Net Plant	6,292,654,165	(273,104,277)	6,019,549,887
17	Construction Work in Progress	340,584,501	(86,645,616)	253,938,885
18	Deferred Debits / Credits	2,266,639,639	(2,199,376,086)	67,263,553
19	Total Working Capital	(102,187,532)	(6,834,026)	(109,021,558)
20	Materials & Supplies	434,824,964	(108,698,961)	326,126,003
21	Accumulated Deferred Income Taxes	<u>(799,140,723)</u>	<u>-</u>	<u>(799,140,723)</u>
22	Total Rate Base	<u>8,433,375,014</u>	<u>(2,674,658,966)</u>	<u>5,758,716,048</u>
23	<u>Rate of Return</u>	8.20%		6.79%

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SOUTH CAROLINA ELECTRIC & GAS COMPANY  
OPERATING EXPERIENCE - RETAIL ELECTRIC  
12 MONTHS ENDED DECEMBER 31, 2017

Line No.	Description	(\$000's)		
		Regulatory Per Books	Pro-Forma Adjustments	Total As Adjusted
	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)
1	<u>Operating Revenues</u>	<u>2,611,119,429</u>	<u>(533,916,353)</u>	<u>2,077,203,076</u>
2	<u>Operating Expenses</u>			
3	O&M Expenses - Fuel	631,607,100	-	631,607,100
4	O&M Expenses - Other	572,298,891	(54,477,692)	517,821,199
5	Depreciation & Amortization Expenses	269,337,754	(49,601,869)	219,735,885
6	Taxes Other Than Income	208,740,981	7,195,838	215,936,819
7	Total Income Taxes	<u>248,572,997</u>	<u>(139,746,693)</u>	<u>108,826,304</u>
8	Total Operating Expenses	<u>1,930,557,723</u>	<u>(236,630,416)</u>	<u>1,693,927,307</u>
9	Operating Return	680,561,706	(297,285,936)	383,275,770
10	Customer Growth	2,779,242	(1,214,041)	1,565,201
11	Interest on Customer Deposits	<u>(1,127,281)</u>	<u>-</u>	<u>(1,127,281)</u>
12	<u>Return</u>	<u>682,213,667</u>	<u>(298,499,977)</u>	<u>383,713,690</u>
13	<u>Rate Base</u>			
14	Plant in Service	9,980,706,786	(262,783,101)	9,717,923,685
15	Reserve for Depreciation	<u>3,814,648,968</u>	<u>1,316,889</u>	<u>3,815,965,857</u>
16	Net Plant	6,166,057,818	(264,099,991)	5,901,957,827
17	Construction Work in Progress	330,655,032	(83,760,664)	246,894,368
18	Deferred Debits / Credits	2,187,794,639	(2,123,845,452)	63,949,187
19	Total Working Capital	(106,815,602)	(6,809,712)	(113,625,314)
20	Materials & Supplies	419,863,904	(104,272,049)	315,591,855
21	Accumulated Deferred Income Taxes	<u>(782,232,866)</u>	<u>-</u>	<u>(782,232,866)</u>
22	Total Rate Base	<u>8,215,322,925</u>	<u>(2,582,787,867)</u>	<u>5,632,535,058</u>
23	<u>Rate of Return</u>	8.30%		6.81%

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SOUTH CAROLINA ELECTRIC & GAS COMPANY  
 OPERATING EXPERIENCE - RETAIL ELECTRIC  
 12 MONTHS ENDED DECEMBER 31, 2017

Line No.	Description	(\$000's)		
		Retail As Adjusted	Proposed Increase	Total After Proposed Increase
	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)
1	<u>Operating Revenues</u>	2,077,203,076	102,676,030	2,179,879,106
2	<u>Operating Expenses</u>			
3	O&M Expenses - Fuel	631,607,100		631,607,100
4	O&M Expenses - Other	517,821,199		517,821,199
5	Depreciation & Amortization Expenses	219,735,885		219,735,885
6	Taxes Other Than Income	215,936,819	458,654	216,395,473
7	Total Income Taxes	108,826,304	25,503,235	134,329,539
8	Total Operating Expenses	1,693,927,307	25,961,889	1,719,889,196
9	Operating Return	383,275,770	76,714,141	459,989,911
10	Customer Growth	1,565,201	313,233	1,878,434
11	Interest on Customer Deposits	(1,127,281)	-	(1,127,281)
12	<u>Return</u>	383,713,690	77,027,374	460,741,064
13	<u>Rate Base</u>			
14	Plant in Service	9,717,923,685	-	9,717,923,685
15	Reserve for Depreciation	3,815,965,857	-	3,815,965,857
16	Net Plant	5,901,957,827	-	5,901,957,827
17	Construction Work in Progress	246,894,368	-	246,894,368
18	Deferred Debits / Credits	63,949,187	-	63,949,187
19	Total Working Capital	(113,625,314)	-	(113,625,314)
20	Materials & Supplies	315,591,855	-	315,591,855
21	Accumulated Deferred Income Taxes	(782,232,866)	-	(782,232,866)
22	Total Rate Base	5,632,535,058	-	5,632,535,058
23	<u>Rate of Return</u>	6.81%		8.18%
23	<u>Return on Equity</u>	7.66%		10.25%

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**SOUTH CAROLINA ELECTRIC & GAS COMPANY  
ACCOUNTING & PRO FORMA ADJUSTMENTS  
TOTAL ELECTRIC  
OPERATING EXPERIENCE  
TWELVE MONTHS ENDED DECEMBER 31, 2017**

ADJ. #	DESCRIPTION	REVENUES	O & M EXPENSES	DEPREC. & AMORT. EXPENSE	TAXES OTHER THAN INCOME	STATE INCOME TAX @ 5%	FEDERAL INCOME TAX @ 35%	PLANT IN SERVICE	ACCUM. DEPREC.	CWIP	MATERIALS & SUPPLIES	DEFERRED DBT/CRDT	WORKING CAPITAL
1	WAGES, BENEFITS & PAYROLL TAXES		3,116,709		220,420	(166,856)	(1,109,596)						389,589
2	INCENTIVE COMPENSATION ADJUSTMENT		(881,515)		(148,052)	51,478	342,331						(110,189)
3	ANNUALIZE HEALTH CARE		2,612,162			(130,608)	(868,544)						326,520
4	REMOVE EMPLOYEE CLUBS			(135,767)		6,788	45,143	(5,555,540)	(2,185,461)				
5	PROPERTY RETIREMENTS					-	-	(99,842)	(99,842)				
6	*NEW NUCLEAR ADJUSTMENTS	(398,426,679)	(47,296,946)	47,011,967	(845,310)	(19,864,820)	(132,101,050)	(266,175,601)	-	(86,579,203)	(123,018,743)	(3,274,375,487)	(5,912,118)
7	CWIP					-	-	66,413		(66,413)			
8	ANNUALIZE DEPRECIATION BASED ON CURRENT			3,850,317		(192,516)	(1,280,230)		3,625,010				
9	ADJUST PROPERTY TAXES				8,310,903	(415,545)	(2,763,375)						
10	ANNUALIZE INSURANCE EXPENSE		(585,605)			29,280	194,714						(73,201)
11	OPEB		203,185			(10,159)	(67,559)					(152,490)	25,398
12	TAX EFFECT OF ANNUALIZED INTEREST					3,691,893	24,551,090						
13	REMOVE AMOUNTS ASSOCIATED WITH DSM	(36,787,698)	(11,840,199)		(164,331)	(1,239,158)	(8,240,404)						(1,480,025)
14	FOSSIL FUEL INVENTORY					-	-				14,319,782		
15	*TAX REFORM - CURRENT EXPENSE	(52,239,421)		(52,239,421)	-	-	-						
16	*TAX REFORM - EXCESS DEFERRED AMORTIZATION	(47,983,636)		(47,983,636)	-	-	-					(20,078,400)	
17	TOSHIBA SETTLEMENT ADJUSTMENT											1,095,230,291	
	<b>TOTAL</b>	<b>(535,437,434)</b>	<b>(54,672,209)</b>	<b>(49,496,540)</b>	<b>7,373,630</b>	<b>(18,240,223)</b>	<b>(121,297,480)</b>	<b>(271,764,570)</b>	<b>1,339,707</b>	<b>(86,645,616)</b>	<b>(108,698,961)</b>	<b>(2,199,376,086)</b>	<b>(6,834,026)</b>

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SOUTH CAROLINA ELECTRIC & GAS COMPANY  
ACCOUNTING & PRO FORMA ADJUSTMENTS  
RETAIL ELECTRIC  
OPERATING EXPERIENCE  
TWELVE MONTHS ENDED DECEMBER 31, 2017

ADJ. #	DESCRIPTION	REVENUES	O & M EXPENSES	DEPREC. & AMORT. EXPENSE	TAXES OTHER THAN INCOME TAX INCOME	STATE INCOME TAX @ 5%	FEDERAL INCOME TAX @ 35%	PLANT IN SERVICE	ACCUM. DEPREC.	CWIP	MATERIALS & SUPPLIES	DEFERRED DBT/CRDT	WORKING CAPITAL
1	WAGES, BENEFITS & PAYROLL TAXES		3,032,558		214,469	(162,351)	(1,079,637)						379,070
2	INCENTIVE COMPENSATION ADJUSTMENT		(857,714)		(144,055)	50,088	333,088						(107,214)
3	ANNUALIZE HEALTH CARE		2,541,634			(127,082)	(845,093)						317,704
4	REMOVE EMPLOYEE CLUBS			(132,667)		6,633	44,112	(5,437,998)	(2,135,560)	-			-
5	PROPERTY RETIREMENTS						-	(97,698)	(97,536)				
6	*NEW NUCLEAR ADJUSTMENTS	(398,426,679)	(46,978,455)	45,462,625	(845,310)	(19,803,277)	(131,691,792)	(257,311,953)	-	(83,696,116)	(118,011,880)	(3,171,381,882)	(5,872,307)
7	CWIP							64,548		(64,548)			
8	ANNUALIZE DEPRECIATION BASED ON CURRENT			3,770,149		(188,507)	(1,253,575)		3,549,985				
9	ADJUST PROPERTY TAXES				8,135,065	(406,753)	(2,704,909)						
10	ANNUALIZE INSURANCE EXPENSE		(573,215)			28,661	190,594						(71,652)
11	OPEB		197,699			(9,885)	(65,735)					(148,373)	24,712
12	TAX EFFECT OF ANNUALIZED INTEREST					3,584,090	23,834,199						
13	REMOVE AMOUNTS ASSOCIATED WITH DSM	(36,787,698)	(11,840,199)		(164,331)	(1,239,158)	(8,240,404)						(1,480,025)
14	FOSSIL FUEL INVENTORY										13,739,831		
15	*TAX REFORM - CURRENT EXPENSE	(52,239,421)		(52,239,421)	-	-	-						
16	*TAX REFORM - EXCESS DEFERRED AMORTIZATION	(46,462,555)		(46,462,555)	-	-	-					(12,826,688)	
17	TOSHIBA SETTLEMENT ADJUSTMENT											1,060,511,491	
	<b>TOTAL</b>	(533,916,353)	(54,477,692)	(49,601,869)	7,195,838	(18,267,541)	(121,479,152)	(262,783,101)	1,316,889	(83,760,664)	(104,272,049)	(2,123,845,452)	(6,809,712)

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SOUTH CAROLINA ELECTRIC & GAS COMPANY  
COMPUTATION OF PROPOSED INCREASE  
RETAIL ELECTRIC OPERATIONS  
12 MONTHS ENDED DECEMBER 31, 2017

Line No.	Description (Col. 1)	Requested (\$000's) (Col. 2)
1	Jurisdictional Rate Base	5,632,535,058
2	Required Rate of Return	<u>8.18%</u>
3	Required Return	460,741,368
4	Actual Return Earned	<u>383,713,690</u>
5	Required Increase to Return	77,027,678
6	Factor to Remove Customer Growth	<u>1.004084</u>
7	Additional Return Required from Revenue Increase	76,714,396
8	Composite Tax Factor	<u>0.74715</u>
9	Required Revenue Increase	<u>102,676,030</u>
10	Proposed Revenue Increase	<u>102,676,030</u>
Additional Expenses		
11	Gross Receipts Tax @ 0.4467%	458,654
12	State Income Tax @ 5%	5,110,869
13	Federal Income Tax @ 21%	<u>20,392,367</u>
14	Total Taxes	<u>25,961,889</u>
15	Additional Return	76,714,141
16	Additional Customer Growth	<u>313,233</u>
17	Total Additional Return	77,027,374
18	Earned Return	<u>383,713,690</u>
19	Total Return as Adjusted	460,741,064
20	Rate Base	5,632,535,058
21	Rate of Return	8.18%

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SOUTH CAROLINA ELECTRIC & GAS COMPANY  
STATEMENT OF FIXED ASSETS - ELECTRIC  
AT DECEMBER 31, 2017

		(\$000's)			
Line No.	Description	Regulatory Per Books	Adjustments	As Adjusted	Allocated to Retail
(Col. 1)		(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)
Gross Plant in Service					
1	Intangible Plant	78,405,819	-	78,405,819	76,746,944
2	Production	4,706,858,398	40,631	4,706,899,029	4,557,690,330
3	Transmission	1,597,292,477	(266,175,601)	1,331,116,876	1,286,710,820
4	Distribution	3,282,888,427	-	3,282,888,427	3,282,527,309
5	General	203,125,184	(73,086)	203,052,098	198,756,014
6	Common (1)	327,868,104	(5,556,514)	322,311,590	315,492,269
7	Total Gross Plant in Service	10,196,438,409	(271,764,570)	9,924,673,839	9,717,923,685
Construction Work in Progress					
8	Production	91,607,336	(43,631)	91,563,705	88,661,136
9	Transmission	179,302,306	(86,579,203)	92,723,103	89,626,458
10	Distribution	20,352,263	-	20,352,262	20,350,024
11	General	2,161,207	(22,782)	2,138,425	2,093,181
12	Intangible	45,267,595	-	45,267,595	44,309,844
13	Common (1)	1,893,793	-	1,893,793	1,853,726
14	Total Construction Work in Progress	340,584,501	(86,645,616)	253,938,885	246,894,368

(1) Electric Portion

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SOUTH CAROLINA ELECTRIC & GAS COMPANY  
STATEMENT OF DEPRECIATION RESERVES - ELECTRIC  
AT DECEMBER 31, 2017

		(\$000's)			
Line No.	Description	Regulatory Per Books	Adjustments	As Adjusted	Allocated to Retail
	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)
1	Production	2,210,492,070	1,628,585	2,212,120,655	2,141,996,430
2	Transmission	362,089,771	902,653	362,992,424	350,904,776
3	Distribution	1,029,365,366	1,393,364	1,030,758,730	1,030,645,347
4	General & Intangible Plant	154,852,942	(133,991)	154,718,951	151,186,246
5	Common (1)	<u>146,984,095</u>	<u>(2,450,905)</u>	<u>144,533,191</u>	<u>141,233,057</u>
6	Total	<u>3,903,784,244</u>	<u>1,339,707</u>	<u>3,905,123,951</u>	<u>3,815,965,857</u>
(1) Electric Portion					

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SOUTH CAROLINA ELECTRIC & GAS COMPANY  
MATERIALS AND SUPPLIES - ELECTRIC  
AT DECEMBER 31, 2017

Line No.	Description	(\$000's)			
		Regulatory Per Books	Adjustments	As Adjusted	Allocated to Retail
(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	
	Fuel Stock				
1	Nuclear	253,203,767	(123,018,743)	130,185,024	124,937,134
2	Fossil	44,013,673	14,319,782	58,333,455	55,970,950
3	Total Fuel Stock	297,217,440	(108,698,961)	188,518,479	180,908,084
4	Emission Allowances	636,699	-	636,699	610,913
5	Other Electric Materials and Supplies	136,970,825	-	136,970,825	134,072,858
6	Total	434,824,964	(108,698,961)	326,126,003	315,591,855

DEFERRED DEBITS / CREDITS - ELECTRIC  
AT DECEMBER 31, 2017

7	Environmental	(450,300)	-	(450,300)	(437,683)
8	Wateree Scrubber Deferral - Ratebase Adj	18,082,559	-	18,082,559	17,509,342
9	Abandoned Nuclear Units	3,975,520,191	(3,274,375,487)	701,144,704	678,114,319
10	FASB 106 Rate Base Reduction	(119,484,881)	(152,490)	(119,637,371)	(116,407,162)
11	Pension Deferral - Rate Base Adj	39,561,677	-	39,561,677	38,493,512
12	Canadys Retirement - Rate Base Adj	78,662,284	-	78,662,284	76,168,689
13	Toshiba Settlement	(1,095,230,291)	1,095,230,291	-	-
14	Tax Deferrals	(630,021,600)	(20,078,400)	(650,100,000)	(629,491,830)
15	Total	2,266,639,639	(2,199,376,086)	67,263,553	63,949,187

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SOUTH CAROLINA ELECTRIC & GAS COMPANY  
WORKING CAPITAL INVESTMENT - ELECTRIC  
AT DECEMBER 31, 2017

		(\$000's)			
Line No.	Description	Regulatory Per Books	Adjustments	As Adjusted	Allocated to Retail
(Col. 1)		(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)
1	Working Cash	118,803,511	(6,834,026)	111,969,485	108,323,924
2	Prepayments	71,342,785	-	71,342,785	71,053,344
3	Total Investor Advanced Funds	190,146,296	(6,834,026)	183,312,270	179,377,268
4	Less: Customer Deposits	(54,413,422)	-	(54,413,422)	(54,413,422)
5	Average Tax Accruals	(226,213,317)	-	(226,213,317)	(227,232,730)
6	Nuclear Refueling	(5,323,281)	-	(5,323,281)	(5,107,688)
7	Injuries and Damages	(6,383,808)	-	(6,383,808)	(6,248,742)
8	Total Working Capital	(102,187,532)	(6,834,026)	(109,021,558)	(113,625,314)

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SOUTH CAROLINA ELECTRIC & GAS COMPANY  
WEIGHTED COST OF CAPITAL  
RETAIL ELECTRIC OPERATIONS  
AT DECEMBER 31, 2017

Description (Col. 1)	Pro Forma Amount (Col. 2) \$	Pro Forma Ratio (Col. 3) %	As Adjusted		After Proposed Increase	
			Pro Forma Embedded	Overall	Pro Forma	Overall
			Cost/Rate	Cost/Rate	Embedded	Cost/Rate
			(Col. 4) %	(Col. 5) %	(Col. 6) %	(Col. 7) %
Long Term Debt	4,928,770,000	47.11%	5.86%	2.76%	5.86%	2.76%
Preferred Stock	100,000	0.00%	0.00%	0.00%	0.00%	0.00%
Common Equity	<u>5,533,469,980</u>	52.89%	<b>7.66%</b>	4.05%	<b>10.25%</b>	<u>5.42%</u>
Total	10,462,339,980	100.00%		6.81%		8.18%

\*No rate increase is proposed in this proceeding. The analysis of the hypothetical rate increase is calculated to show the size of the revenue shortfall under the ORS Plan. SCE&G does not accept the level of tax savings, merger savings, or other assumptions in the ORS analysis. However, for modeling purposes they are included in this calculation.